

Careful Consideration of Insurance Plans Urged During Special Enrollment Period

Consumers should be wary of non-marketplace plans that offer limited benefits

Insurance Commissioner Trinidad Navarro is joining commissioners across the country in cautioning residents who may be considering purchasing an insurance plan that does not adequately meet their needs or comply with Affordable Care Act (ACA) benefit requirements. The Special Enrollment Period, which started February 15, is a great time to review and enroll in insurance plans offered on the Marketplace. However, non-compliant off-marketplace plans may be heavily advertised during this period, and may appear attractive despite often being more expensive and far less comprehensive.

One health insurance alternative that is being marketed quite a lot is short-term limited benefit health insurance. This not a recommended form of coverage, and these plans do not provide coverage for pre-existing medical conditions – anything that a person has been diagnosed with or sought treatment for within the past five or more years. Limited benefit plans only cover a set number of doctor visits for a limited dollar amount and may have very high deductibles and copay requirements. These plans do not qualify for or replace a major medical, ACA-approved health insurance policy, and policies are only effective for three months and are not renewable.

Other products contain similar flaws that could put the consumer at risk of significant medical bills, including lack of coverage critical needs. Coverage for prescriptions, pre-existing conditions, surgery and outpatient procedures, hospital and emergency visits, maternity and pediatric care,

and mental and behavioral healthcare could all be excluded from these plans. Non-insurance products, such as health care sharing ministries, are not regulated, and as such are not required to cover a person's needed care. Trade association plans and other limited plans can offer low-quality coverage that does not meet ACA standards and may not meet a consumer's needs. None of these plans offer the financial subsidies and tax credits of ACA plans, which about 86 percent of Delaware enrollees are eligible for.

Delaware consumers can ask themselves questions to better recognize problematic plans:

- Is the policy underwritten by a reputable insurer?
- Does this policy cover pre-existing medical conditions?
- Are plan details, such as coverage for maternity care, available in writing?
- Is the plan found on an official Marketplace website, like [HealthCare.gov](https://www.healthcare.gov) or [ChooseHealthDE.com](https://www.choosehealthde.com)?
- Can a person enroll without any auxiliary payment, such as an enrollment fee, subscription, or membership fee?

If the answer to any of these questions is no, the plan may not be legitimate, and the consumer should reconsider the policy. Even if these red flags are not found, residents should scrutinize plan content, and, if working with an agent or broker, verify their license with the department.

While the Delaware Department of Insurance has not seen significant increases in fraudulent contact or limited benefit plan sales, the pandemic has emboldened bad actors who aim to capitalize upon unusual circumstances, including the Special Enrollment Period.

The Special Enrollment Period was authorized by President Biden and will allow Marketplace enrollment through May 15 on [HealthCare.gov](https://www.healthcare.gov). Individuals who are uninsured, regardless of the reason for their lack of insurance, can enroll during this

period. Existing Marketplace participants have the option to move to another plan. Local coverage navigators are available to direct consumers to appropriate plans, visit the [Choose Health DE website](#) to get connected to a local navigator, or call **(800) 318-2596**.

[More information about the Special Enrollment Period](#)